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Alabama Supreme Court Rules on PACT Settlement

MONTGOMERY – The Alabama Supreme Court today issued a ruling that effectively voids the settlement negotiated by the PACT Board in April 2011. Under the settlement, all future tuition and fee payments would have been paid at the fall 2010 rates of Alabama public institutions, with contract holders responsible for paying the difference.

"We are disappointed in the Court's ruling but we have respect for the Court and the judicial process," said State Treasurer and PACT Board Chair Young Boozer. "It appears the Court's decision was based on the belief that certain language in Act 2010-725 conclusively prohibits any type of compromise between the PACT Program and its participants. We do not believe the Legislature would have intended the language of Act 2010-725 to require such a result, especially under the circumstances now facing the program.

We negotiated in good faith an agreement that would have provided benefits to all PACT beneficiaries. Today's ruling reinforces our determination to reach a solution that does just that. We remain confident that the settlement is in the best interests of all program participants, and we intend to ask the Court to reconsider granting approval to the settlement."

The *Lisa Nix Green, et al. v. Kay Ivey, et al.* litigation was filed in January 2010 and was certified as a class action in December 2010. Attorneys for the class and representatives of the PACT Board reached a settlement through court-ordered mediation in April 2011, which was then approved by the PACT Board in May. The Montgomery County Circuit Court approved the settlement on July 15, 2011. The Circuit Court's ruling was appealed in September 2011, ultimately leading to today's State Supreme Court ruling.

PACT contract holders with questions about how the Court's ruling affects them may contact class attorney Doyle Fuller at (334) 270-0020. Information about the case is also available on the official PACT website at www.800alapact.com.

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